

106TH CONGRESS  
1ST SESSION

# H. R. 2082

To amend the Internal Revenue Code of 1986 to restore pension limits to equitable levels, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 8, 1999

Mr. YOUNG of Alaska introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to restore pension limits to equitable levels, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. AMENDMENT OF 1986 CODE.**

4       Whenever in this Act an amendment or repeal is ex-  
5       pressed in terms of an amendment to, or repeal of, a sec-  
6       tion or other provision, the reference shall be considered  
7       to be made to a section or other provision of the Internal  
8       Revenue Code.

9       **SEC. 2. INCREASE IN RETIREMENT PLAN LIMITS.**

10       (a) DEFINED BENEFIT PLANS.—

1 (1) DOLLAR LIMIT.—

2 (A) Subparagraph (A) of section 415(b)(1)  
3 (relating to limitation for defined benefit plans)  
4 is amended by striking “\$90,000” and inserting  
5 “\$180,000”.

6 (B) Subparagraphs (C) and (D) of section  
7 415(b)(2) are each amended by striking  
8 “\$90,000” each place it appears in the head-  
9 ings and the text and inserting “\$180,000”.

10 (2) LIMIT REDUCED WHEN BENEFIT BEGINS  
11 BEFORE AGE 62.—Subparagraph (C) of section  
12 415(b)(2) is amended by striking “the social security  
13 retirement age” each place it appears in the heading  
14 and text and inserting “age 62”.

15 (3) LIMIT INCREASED WHEN BENEFIT BEGINS  
16 AFTER AGE 65.—Subparagraph (D) of section  
17 415(b)(2) is amended by striking “the social security  
18 retirement age” each place it appears in the heading  
19 and text and inserting “age 65”.

20 (4) MULTIEMPLOYER PLANS AND PLANS MAIN-  
21 TAINED BY GOVERNMENTS AND TAX EXEMPT ORGA-  
22 NIZATIONS.—Subparagraph (F) of section 415(b)(2)  
23 is amended to read as follows:

1           “(F) MULTIEMPLOYER PLANS AND PLANS  
2           MAINTAINED BY GOVERNMENTS AND TAX-EX-  
3           EMPT ORGANIZATIONS.—

4           “(i) IN GENERAL.—In the case of a  
5           governmental plan (within the meaning of  
6           section 414(d)), a plan maintained by a  
7           tax-exempt organization, a multiemployer  
8           plan (as defined in section 414(f)), or a  
9           qualified merchant marine plan, subpara-  
10          graph (C) shall be applied as if the last  
11          sentence thereof read as follows: ‘The re-  
12          duction under this subparagraph shall not  
13          reduce the limitation of paragraph (1)(A)  
14          below (i) \$130,000 if the benefit begins at  
15          or after age 55, or (ii) if the benefit begins  
16          before age 55, the equivalent of the  
17          \$130,000 limitation for age 55.’

18          “(ii) DEFINITIONS AND SPECIAL  
19          RULE.—For purposes of this  
20          subparagraph—

21               “(I) QUALIFIED MERCHANT MA-  
22               RINE PLAN.—The term ‘qualified mer-  
23               chant marine plan’ means a plan in  
24               existence on January 1, 1986, the  
25               participants in which are merchant

1 marine officers holding licenses issued  
2 by the Secretary of Transportation  
3 under title 46, United States Code.

4 “(II) TAX-EXEMPT ORGANIZA-  
5 TION.—The term ‘tax-exempt organi-  
6 zation’ means any organization (other  
7 than a governmental unit) exempt  
8 from tax under this subtitle.

9 “(III) TAX-EXEMPT ORGANIZA-  
10 TION PLAN COVERING 50 PERCENT OF  
11 ITS EMPLOYEES.—A plan shall be  
12 treated as a plan maintained by a tax-  
13 exempt organization if at least 50 per-  
14 cent of the employees benefiting under  
15 the plan are employees of a tax-ex-  
16 empt organization. If less than 50  
17 percent of the employees benefiting  
18 under a plan are employees of a tax-  
19 exempt organization, the plan shall be  
20 treated as a plan maintained by a tax-  
21 exempt organization only with respect  
22 to employees of such an organiza-  
23 tion.”.

1           (5)   COST-OF-LIVING   ADJUSTMENTS.—Sub-  
2       section (d) of section 415 (related to cost-of-living  
3       adjustments) is amended—

4                   (A) in paragraph (1)(A) by striking  
5       “\$90,000” and inserting “\$180,000”, and

6                   (B) in paragraph (3)(A)—

7                           (i) by striking “\$90,000” in the head-  
8       ing and inserting “\$180,000”, and

9                           (ii) by striking “October 1, 1986” and  
10      inserting “July 1, 1999”.

11      (b)   DEFINED   CONTRIBUTION   PLANS.—Subpara-  
12   graph (B) of section 415(c)(1) (relating to limitation for  
13   defined contribution plans) is amended to read as follows:

14                   “(B) the participant’s compensation.”.

15      (c)   COST-OF-LIVING ADJUSTMENTS.—

16                   (1) PLANS MAINTAINED BY GOVERNMENTS AND  
17   TAX-EXEMPT   ORGANIZATIONS.—Paragraph (1) of  
18   section 415(d) is amended by striking “and” at the  
19   end of subparagraph (B), by redesignating subpara-  
20   graph (C) as subparagraph (D), and by inserting  
21   after subparagraph (B) the following new subpara-  
22   graph:

23                           “(C) the \$130,000 amount in subsection  
24      (b)(2)(F), and”.

1           (2) BASE PERIOD.—Paragraph (3) of section  
2           415(d) is amended by redesignating subparagraph  
3           (D) as subparagraph (E) and by inserting after sub-  
4           paragraph (C) the following new subparagraph:

5                   “(D) \$130,000 AMOUNT.—The base period  
6           taken into account for purposes of paragraph  
7           (1)(C) is the calendar quarter beginning July 1,  
8           1999.”.

9           (3) ROUNDING RULE RELATING TO DEFINED  
10          BENEFIT PLANS.—Paragraph (4) of section 415(d)  
11          is amended to read as follows:

12                   “(4) ROUNDING.—

13                           “(A) IN GENERAL.—Any increase under  
14           subparagraphs (A) and (D) of paragraph (1)  
15           which is not a multiple of \$5,000 shall be  
16           rounded to the next lowest multiple of \$5,000.

17                           “(B) \$130,000 AMOUNT.—Any increase  
18           under subparagraph (C) of paragraph (1) which  
19           is not a multiple of \$1,000 shall be rounded to  
20           the next lowest multiple of \$1,000.”.

21           (4) CONFORMING AMENDMENT.—Subparagraph  
22           (E) of section 415(d)(3) (as redesignated by para-  
23           graph (2)) is amended by striking “paragraph  
24           (1)(C)” and inserting “paragraph (1)(D)”.

1 **SEC. 3. TREATMENT OF MULTIEMPLOYER PLANS UNDER**  
2 **SECTION 415.**

3 (a) COMPENSATION LIMIT.—Paragraph (11) of sec-  
4 tion 415(b) (relating to limitation for defined benefit  
5 plans) is amended to read as follows:

6 “(11) SPECIAL LIMITATION RULE FOR GOVERN-  
7 MENTAL AND MULTIEMPLOYER PLANS.—In the case  
8 of a governmental plan (as defined in section  
9 414(d)) or a multiemployer plan (as defined in sec-  
10 tion 414(f)), subparagraph (B) of paragraph (1)  
11 shall not apply.”.

12 (b) COMBINING AND AGGREGATION OF PLANS.—

13 (1) COMBINING OF PLANS.—Subsection (f) of  
14 section 415 (relating to combining of plans) is  
15 amended by adding at the end the following:

16 “(3) EXCEPTION FOR MULTIEMPLOYER  
17 PLANS.—Notwithstanding paragraph (1) and sub-  
18 section (g), a multiemployer plan (as defined in sec-  
19 tion 414(f)) shall not be combined or aggregated  
20 with any other plan maintained by an employer for  
21 purposes of applying the limitations established in  
22 this section.”.

23 (2) CONFORMING AMENDMENT FOR AGGREGA-  
24 TION OF PLANS.—Subsection (g) of section 415 (re-  
25 lating to aggregation of plans) is amended by strik-

1        ing “The Secretary” and inserting “Except as pro-  
2        vided in subsection (f)(3), the Secretary”.

3    **SEC. 4. EFFECTIVE DATE.**

4        The amendments made by this Act shall apply to  
5    years beginning after December 31, 1999.

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